

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 7072**

**BILL NUMBER:** SB 309

**NOTE PREPARED:** Feb 2, 2010

**BILL AMENDED:** Jan 25, 2010

**SUBJECT:** School corporation expenditures.

**FIRST AUTHOR:** Sen. Alting

**FIRST SPONSOR:** Rep. Porter

**BILL STATUS:** As Passed Senate

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** (Amended) This bill allows the governing body of a school corporation to adopt a resolution to transfer money for 2010 and 2011 among funds maintained by a school corporation, except to or from the Debt Service Fund, and certifying that no employees of the school corporation will receive a compensation increase for the 2010-2011 school year. It limits the amount that can be transferred to the amount the school corporation's state tuition support is reduced for 2010 and 2011. The bill permits transfers only in 2010 and 2011.

**Effective Date:** (Amended) July 1, 2010.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** (Revised) Schools are required to report to the Department of Education within three months after the end of the year. The information is to include:

1.     The purpose of the transfer.
2.     The funds involved in the transfer.
3.     The amount transferred between the funds.
4.     The impact of the transfer to the programs that were supported by the fund from which the transfer is made.

Any increase in expenditures is probably minor.

**Explanation of Local Revenues:** (Revised) The bill allows school corporations to transfer funds among the following funds (CY 2008 year-ending cash balances are included).

1. General Fund, \$594.0 M.
2. Racial Balance Fund, \$3.9 M.
3. School Transportation Fund, \$138.1 M.
4. School Bus Replacement Fund, \$51.7 M.
5. Capital Projects Fund, \$390.0 M.
6. Levy Excess Fund, \$7.8 M.
7. Repair and Replacement Fund, \$2.7 M.
8. Self-insurance Fund, \$262.5 M.
9. School Technology Fund, \$17.5 M.

To be able to transfer funds, the school corporation's employees cannot receive a general compensation increase for the 2010-2011 school year. The maximum amount of the transfer for any school equals the amount of the state reduction in the school's tuition support for 2010 and 2011. The impact would depend on the number of schools that would qualify for the transfer. The maximum amount of possible transfers is about \$298 M.

**State Agencies Affected:**

**Local Agencies Affected:** Schools.

**Information Sources:**

**Fiscal Analyst:** Chuck Mayfield, 317-232-4825.